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Finanzas para el Desarrollo**

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Economic Opportunities Strategic Objective Team (EO SOT)
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Quarterly Report for PREMIER: October - December 2005

I. Progress Report for October 1 – December 31

A. Project Start-up and Administration

A.2. Contract Deliverables and Reporting

All routine reporting requirements to USAID were fulfilled by DAI. *Task A.2.2. Quarterly report* was submitted to USAID, as well as *Task A.2.4. Report matrix*. No major comments were received by USAID regarding the content of these reports.

During the first week of December PREMIER submitted its *2006 work plan* to USAID/Bolivia. In compliance with USAID's request, PREMIER prepared three budget scenarios: a full budget meeting the Project ceiling of \$3,863,766; a middle scenario budget of \$3,677,317, and; a low budget scenario of \$3,577,000, which is the amount currently obligated.

The budgets were accompanied by detailed descriptions of planned activities. We believe it is important to PREMIER's effective implementation that, at a minimum, the middle budget scenario be authorized. This will ensure that critical support to the SBEF to construct the fundamental underpinnings of Basle II be fully implemented. It will also allow us to finance a modest number of finance innovations under the FIF program. This program, due to the administrative prohibition of activities for a full year, had expended only about 20% of the \$600,000 originally budgeted amount as of the end of 2005.

As of the writing of this quarterly report, we had not received USAID's decision on PREMIER's work plan and budget. We respectfully ask for a prompt USAID decision in order to better plan for and implement the PREMIER program over the final months of the Project.

A.4. General Administrative Tasks

Assignment of new USAID Counterpart

The PREMIER team was very encouraged by the assignment of a new USAID counterpart to the Project, filling a position that was void for about half of a year. PREMIER provided general briefings for the new USAID Project Manager and introduced her to a number of Project counterparts. During the short period working together, we feel the quality of interaction with the Project Manager was highly constructive. The success of our Project, we believe, depends a great deal on a PREMIER-USAID team approach consisting of strong communication and substantive interaction. This ensures the implementation of effective, appropriate development interventions and, ultimately, the satisfaction of our client.

In this regard, we lament that communication between PREMIER and USAID was inadequate during the middle part of 2005. We assume responsibility for this, although we also believe the lack of a full-time, technical USAID counterpart contributed to the situation. PREMIER worked hard throughout the year in implementing all three Project Components, even though much of this work was not adequately communicated to USAID management.

USAID's Decision not to Exercise PREMIER Contract Extension beyond September, 2006

In November the USAID Contracts Office informed PREMIER of its decision not to exercise the two year option period. Budget constraints were cited as the reason for this decision. DAI appreciated having been informed of this decision in a timely manner, which will provide us with ample time to complete the implementation of technical activities and administer project close-out.

During the first quarter of 2006, PREMIER will develop a detailed project close-out plan for all technical and administrative activities. The plan will be shared with the USAID CTO and Contracts Office to ensure that it addresses all USAID requirements, including final reports.

B. Component 1 – Policy and Regulation

B.1. Encourage and Support Financial Policy and Legal Reform

As described in the third quarter report for 2005, PREMIER's main initiative under *Task B.1.4. Provide policy T.A. to GOB institutions* has been completed. The two research documents drafted by Ohio State University were submitted to USAID. Due to the length and complexity of the documents, the USAID/Bolivia CTO requested that PREMIER produce two summary documents. The objective is to develop reader friendly reports that will be more widely read. The summary documents will be published and made available on the www.microfinanzas.com website. We are also hopeful they will be included in one of Bolivia's two most prestigious economic journals, the Catholic University's "Latin America Journal of Economic Development" or the Central Bank's "Revista de Analisis." We plan to work with the USAID CTO to place the articles in one of these journals before the end of PREMIER.

Another important activity under *Task B.1.4.* involved supporting the GOB to develop the technical and legal underpinnings to reform its development banking structure. Specifically, PREMIER had provided technical assistance and policy dialogue support to FONDESIF to develop a draft Supreme Decree designed to strengthen this institution's governance, autonomy and technical capacity.

The final quarter of 2005 was our final opportunity to consummate the Supreme Decree within the Bolivian Government. Throughout the quarter, PREMIER facilitated the vetting

process of the draft Decree and encouraged the executive branch authorities to finalize the document for the President's signature. PREMIER participated actively in several drafting and discussion meetings, principally with the Ministry of Finance's Director of Financial Intermediation. We also provided ongoing support to FONDESIF's Executive Secretary Carlos Martins to facilitate political aspects of the initiative.

Martins assured PREMIER that the Minister of Economic Development was committed to the Supreme Decree. PREMIER's concern rested mainly with the Ministry of Finance, since the support of this entity would be required to pass the Decree. We had strongly recommended to FONDESIF that the draft document be submitted for the Ministry of Finance's review as far back as August of 2005. This did not occur until October, which proved too late. Despite a flurry of efforts in early December to acquire the full support of the Ministry of Finance, the two Ministers decided that it would not be appropriate to introduce new policies of this type only days before the new elections.

We believe FONDESIF acted with a lack of urgency and aggressiveness. FONDESIF pointed to the Ministry of Economic Development's slow treatment of the draft and the lack of conferral with Finance as the cause of the Decree's ultimate failure to be signed. Regardless of where the brunt of the responsibility is placed, we believe the passage of the Decree would have been made possible if these two institutions had moved more quickly earlier in 2005.

In retrospect, the failure to pass this important policy initiative was due to a lack of political commitment. PREMIER recognizes that USAID placed strongest emphasis on the policy and regulation component of the Project. Unfortunately, since the Project began, we have worked within the context of unstable and weak executive branch counterparts. The past two years have not been propitious for the development of financial policy reforms.

With the election of Evo Morales as President, the financial policy future is uncertain. It is highly unlikely the new Government would support the FONDESIF reform. It is more likely that policies will move in the opposite direction, including greater Government intervention in the financial markets arena.

Fourth quarter results under *Task B.1.8. New legislation for secured transactions and credit bureaus* were similarly affected by Bolivian Government instability and lack of forceful commitment. After six months of intensive technical drafting work and consensus building in the public and private sectors, the Government's political commitment began to unravel. As described in the previous quarterly report, our formally designated GOB counterpart, the Superintendent of Companies, appeared to lose favor from within and outside the Government. As a result of this, PREMIER turned to the Ministry of Finance for support and leadership.

A change in counterparts brought on a change in strategy, as well. Whereas the Superintendent had indicated total commitment to a swift and forceful presentation of the draft Movable Guarantees Law to Congress, the Minister of Finance's approach was

cautious. Despite PREMIER's efforts to obtain the Ministry's commitment to the draft law, it became clear by the end of October that this would not occur.

The Ministry of Finance's treatment of the situation was understandable. With or without the Ministry's commitment, it was evident that the draft law (version 97 as drafted by CEAL) still did not have the full support of important private sector groups. These groups, including ASOBAN, were concerned about potential issues of unconstitutionality and other legal aspects of the draft they considered too radical. Still other private sector groups had identified specific areas of interest they believed would be undermined by the law. These latter issues were inevitable in any major new legislation such as this and would have been overcome by a committed Government champion of the law. It was the first issues, specifically about unconstitutionality, which could have been difficult to overcome if the draft law had been sent to Congress.

Nevertheless, the most recent draft law has addressed and resolved many of the issues presented by both public and private interests. It is a draft law that has retained its four fundamental pillars considered so important to the initiative's economic impact: the constitution, notification, creditor rights and execution of the movable guarantee.

We are hopeful that the new Government will be interested in the movable guarantees legislation. PREMIER, with support from USAID, will assess this level of interest as soon as new Government counterparts are assigned. Should the assessment be positive, we will have a strategy prepared. The strategy will require a strong and committed champion from the counterpart Government. Without this, we would not recommend proceeding. With such a counterpart, though, we would provide two local consultants, an economist and a lawyer, to redraft and renegotiate the draft law with public counterparts and private associations. Part of the strategy will involve a deeper level of openness in addressing previously described points of contention. It will be important that the two local consultants are viewed by the private sector as highly sensitive to their interests.

We do not plan on utilizing the Center for Economic Analysis of Law (CEAL) for additional work in the areas of movable guarantees legislation. CEAL was effective in articulating coherent economic arguments in defense of a somewhat radical legal initiative. At this point, though, we believe CEAL's participation would not facilitate the advocacy process.

CEAL had also been sub-contracted to provide technical leadership of the credit bureau legislation initiative. In compliance with Scope of Work No. 014/05, CEAL began work on this initiative early in the fourth quarter. On the basis of research of existing Bolivian legislation and regulations, CEAL developed a discussion document and a first draft credit bureau law. On review of these documents, PREMIER concluded that CEAL's approach was overly general. The documents did not reflect an understanding of the specific issues limiting effective development of credit referencing instruments. We also questioned CEAL's strategy of developing new legislation. We felt that the Project should explore less ambitious initiatives, such as minor changes in SBEF norms, that could achieve substantive improvements in access and dissemination of information.

Additionally, given the uncertain political situation, we believed that the introduction of new legislation was not appropriate. Therefore, it was decided to discontinue CEAL's involvement in this activity.

Similar to the movable guarantees initiative, we believe there may be opportunities in 2006 to identify and resolve constraints to credit referencing. Therefore, we have decided, in coordination with the USAID CTO, to undertake further research and analysis in this area. In the first quarter of 2006 we plan to identify and prioritize the specific issues being faced by Bolivia's two licensed credit bureaus, as well as the possible solutions to these issues. Once this exercise is completed, we will approach the Bolivian authorities whose support would be critical in addressing these issues. One of these authorities will undoubtedly be the Superintendence of Banks and Financial Institutions (SBEF). Based on these discussions, PREMIER and USAID will determine whether or not further activities will be carried out to implement credit bureau reforms.

B.2. Support ASOFIN as the Principal Private Institution for Policy Dialogue

No tasks were implemented for this activity during the fourth quarter. As reported earlier, PREMIER has accomplished the main objectives of this activity. ASOFIN has become a more capable and effective institution, especially in terms of its role in policy dialogue. We maintain ongoing, productive communication with ASOFIN and we expect its role will be critical after the new Government is in place. We recommend that USAID, as part of the donor coordination group, engage ASOFIN in developing and implementing a strategy to defend and to support the microfinance sector with the incoming government.

B.3 Support Stronger and more Appropriate Financial Regulation and Supervision

Despite irreconcilable problems with one of the principal consultants, significant progress was achieved this quarter in implementing *Task B.3.2. Evaluate and revise credit risk norms*. Christian Ruehmer, the international consultant hired to replace Eloy Pozo, participated in a visit to Bolivia during the month of October. While he demonstrated a mastery of the issues and would have made a major contribution to the team, he was unfortunately unable to make the level of commitment required of this highly intensive activity. USAID, PREMIER and especially the SBEF are committed to a sustained, accelerated pace of implementation in order to complete the four major program modules outlined in the MOU before September, 2006. Because we determined that Mr. Ruehmer was unable to meet this pace of implementation, it was decided to terminate his participation as a consultant in November.

The remaining two consultants, Julio Acevedo of Chile and Bolivian Marcelo Castellanos, had to redouble their efforts to implement the activities in the chronogram according to schedule. During the quarter, *Activity I: Evaluation of the SBEF's current regulation and supervision* was completed. The conclusions of the activity were not surprising. Overall, the SBEF was given relatively high marks for its current tools and systems of regulation

and supervision, as well as its compliance with Basle I standards. The consultants pointed out, nonetheless, that major changes would be required in order to meet Basle II standards.

Intensive work was carried out to complete the implementation of *Activities II and III, consisting of a major survey and interviews with Bolivia's financial institutions*. The consultants met with top executives from all of the regulated institutions, including FFPs and credit unions. With assistance from the consultants, the SBEF designed and implemented a comprehensive survey to assess the financial institutions' (FI's) level of understanding and preparedness of Basle II. The level of coordination among PREMIER, the consultants and the SBEF in implementing these activities was excellent. After about 12 years of having worked with the Bolivian SBEF, this was the most constructive level of interaction I had witnessed between a donor project and the SBEF.

The results of these activities revealed understandable reticence on the part of the FI's about Basle II. The new standards represent a major challenge for them. They will require fundamental changes and additional costs. On the other hand, most of the institutions are confident that these new investments will result in improved risk management capabilities and a stronger financial sector.

The consultants began work to complete the final activity under Module I, the elaboration of an Institutional Strategic Plan for the SBEF to implement Basle II. We expect this activity to be completed, on schedule, by the first week of February, 2006.

Despite the pared down consultant team of two, we are very encouraged with progress to date. In compliance with the terms of the USAID-SBEF MOU, we have scheduled a mid-January meeting to present the results of Module I. We expect the Director of USAID and the local IMF Representative to attend. The purpose of this meeting will be to inform, to evaluate progress to date and to discuss plans to implement the follow-on modules. We expect the SBEF to request that Modules II and III be combined. PREMIER supports this request for a number of reasons. The substance of the two Modules is complementary, consisting of the development of new norms and manuals. Second, this will reduce the time required to carry out the procedural requirements within PREMIER and USAID. And third, we are no longer concerned about the SBEF's commitment to implementing Basle II. This concern, which was strong at the outset, was the reason we recommended that evaluations and approvals be carried out before initiating each successive module of the program.

C. Component 2 – Industry Development

C.1. Review and Revise Strategy to Support Development of Functioning and Sustainable Private Credit Bureaus

The relative importance of this activity within the PREMIER Project has diminished over the course of the Project. This does not suggest that we place any less importance to a well functioning credit referencing system; such a system is critical to the continued

development and deepening of Bolivia's financial system. The reason this activity is of lower priority is because we believe our contributions can only be marginal until Bolivia improves the regulatory and legal environment for information collection and sharing.

Currently, there are two licensed, privately owned credit bureaus in Bolivia. The quality and breadth of their services are limited, although each has been working hard to improve in these respects. PREMIER has provided assistance to both the bureaus, resulting in more efficient delivery of services to their clients. It is encouraging that the newest of the credit bureaus, INFOCRED, achieved financial breakeven during the third quarter of 2005. This was due to the high volume of small transactions carried out in the microfinance sector, for which INFOCRED has a virtual monopoly. The other credit bureau, ENSERBIC, which mainly serves the banks and savings and loan institutions, continues to operate in the red.

During the third quarter of 2005 PREMIER committed to providing technical assistance to ENSERBIC to develop new products involving the collection and verification of personal information. This initiative, in support *Task C.1.7.Support the improvement of ENSERBIC's delivery of services*, was planned for the fourth quarter of 2005. It was not implemented because we were not able to identify and agree on terms with the two consultants required to conduct the work. This was finally done in mid-December. We plan to implement this technical assistance activity early in the first quarter of 2006. This is the final planned PREMIER activity in direct support of the two credit bureaus. The 2006 work plan does not propose any further support in this area.

C.2. Support FINRURAL in Developing a Private Self-regulation Function for NGOs

As planned, PREMIER designed and implemented an in-depth course for internal auditors this quarter. The course, which contributes to *Task C.2.5. Strengthen corporate governance of selected financial NGOs*, was a follow-on to a highly successful introductory course conducted earlier in 2005. PREMIER has focused on strengthening internal auditing because this is an area widely identified as particularly weak within all types of financial institutions. The internal auditing function is critical to strong corporate governance, and its role in risk management will become increasingly vital as Bolivia implements Basle II standards.

The local firm Berthin Amengual y Asociados was chosen by PREMIER under a competitive bidding process to implement the course. The course placed emphasis on the administration of risks, and included a chapter on Basle II. PREMIER believes this activity is complementary to the Component I activity to strengthen regulation and supervision, which recognizes the importance of working intensively with FI's to prepare them for the risk based orientation of Basle II.

The course, which was conducted with the logistical support of AFIN, was attended by 29 auditors from financial institutions. This was the first time a PREMIER sponsored course was offered for a fee. The reasons for this were to avoid unfair competition with private service providers and to generate funds for the PREMIER supported

www.microfinanzas.com web site. The course was given high grades evenly across the areas evaluated.

A second task under this activity, *Task C.2.6. Develop and implement strategy to access market funds for NGOs*, progressed well during the quarter. With the USAID decision to resume operations of the FIF in September, NAFIBO presented PREMIER with a proposal to securitize NGO credit portfolio assets in the capital markets. The proposal was quickly evaluated and approved by the FIF Evaluation Committee in October. USAID's formal approval was promptly provided and the FIF grant was signed with NAFIBO in November.

The operation, which involves securitizing the assets of Pro Mujer, Diaconia and FADES, consists of multiple tasks in the areas of financial analysis, financial ratings, market research and legal procedures. By mid-December NAFIBO had completed and reported to PREMIER on the first set of preliminary tasks. These included development of a program chronogram of activities, initial coordination and information collection with the NGOs, and negotiation and signing of a sub-contract with the securities broker CAISA.

The securitization operation, to our knowledge, will be the first of its kind anywhere. It is a ground breaking and relatively complex operation that will require careful, ongoing PREMIER oversight. Provided the chronogram of activities proceeds as plans, we expect a June issuance of NGO assets on the market.

C.3. Develop and Implement Information and Support services to the Microfinance Industry

In implementing *Task C.3.1. Design and implement a web page for Bolivia's microfinance industry*, this has been the first full quarter since the web page was publicly launched. Our focus this quarter was placed on dissemination and improving content. In support of dissemination, PREMIER implemented a major promotional initiative during the annual Latin American Microenterprise Forum, held this year in Santa Cruz. An interactive www.microfinanzas.com booth was constructed and informational materials were widely distributed. Over 1,000 practitioners, academicians, donors and Government functionaries attended the event and were exposed to Bolivia's new web site. During the 10 day period from the start of the Forum, almost 3,000 visits were made to the site. This figure is several times greater than any similar period since the public launch. By mid-December the web site had received over 12,000 visitors.

PREMIER, with support from the Advisory Committee, developed publicity spaces in the web site and a pricing framework. A few advertising spaces were sold to local institutions. All of the income from the sale of publicity was, and will continue to be, deposited in a separate account by Centro AFIN. The purpose of these resources will be to provide partial funding for web site administration once PREMIER's support ends.

We are continuously adding to our data base of web site users and potential users. In October PREMIER developed and implemented a new section to register users. Over 350 people had registered by the end of the quarter. Another dissemination initiative involved

the development of a www.microfinanzas.com monthly bulletin beginning in November. The bulletin, which provides an updated summary of the latest in Bolivian microfinance, was sent monthly to over 500 users.

During the quarter PREMIER added several dozen documents to its web page library as well as over a dozen new consultants to the consultant data base. Additionally, three institutions, ASOFIN, FINRURAL and FONDESIF donated more than 300 copies of 22 different publications to the web site. These documents will be offered as prizes during the upcoming months as part of our marketing efforts.

Finally, we are pleased to report that the Advisory Committee continued to participate actively in support of the web site. Two formal Committee meetings were held during the quarter and ongoing communication exchanges took place. We are optimistic that the web site will gain momentum in 2006, during which time we will focus on developing and implementing a sustainability plan and a transition plan for the site's eventual new home.

C.4. Support Expansion of Credit to Small and Medium-sized Businesses through Innovation

The principal activity under *Task C.4.3. Develop and execute program to improve SME credit instruments* was completed this quarter. The activity involved the development and testing of a pilot activity in Los Andes Bank to strengthen and expand its SME lending. This innovative activity consisted of providing high potential SMEs with diagnostics and technical assistance in non-financial areas. The program has multiple objectives, the most important being to simultaneously expand lending and reduce risk associated with Los Andes' SME clients that participate in the T.A. program.

PREMIER shared the final consultants' reports with the USAID CTO during the fourth quarter on an informal basis. The reports will be delivered to USAID formally during the first quarter of 2006. Despite the significant challenges associated with these informal, mainly individual proprietorships comprising the SMEs, the results of the pilot were generally positive. Most of the targeted seven SMEs successfully implemented one or more of the consultants' priority recommendations. According to our evaluation, these resulted in substantive improvements in the SMEs. Examples of these improvements include improved client service, improved company image, increased efficiencies in production, improved products and increased sales.

During the quarter two meetings were held in Santa Cruz between PREMIER, Los Andes and the consultants. Overall, Los Andes is encouraged about the pilot results and has determined that it will invest in a major, new program of technical assistance to SMEs. The strategy and details of the new program will be developed in the first quarter of 2006. While PREMIER's consultancy support to Los Andes has ended, the bank has asked that our long-term staff continue collaborating in this effort.

PREMIER's second activity in support of SME access to credit, a comprehensive market demand study for leasing, was carried out during this quarter. The three part study, which

was divided into three separate consultancies, required intensive PREMIER oversight. Due to the complexity and depth of the studies, particularly the demand study, PREMIER requested and received USAID approval to extend the consultancies through the end of December.

The demand study posed challenges in identifying the SMEs required for the survey sample, which were greater than 600. The legal and tax analysis was complicated by the difficulties in acquiring meetings with the consultants that drafted the IFC supported leasing law. These challenges were overcome and reports for each of the three parts of the study were delivered to PREMIER.

PREMIER and the USAID CTO agreed that a summary document would be appropriate, given the length and the diverse formats of the three separate studies. We plan to contract a local consultant to draft a 25 page summary document. This document will be published widely to the finance and donor communities through the www.microfinanzasbolivia.com web site. A limited number of copies, which will include the longer documents, will be distributed to potential investors in the leasing industry. Finally, PREMIER and the consultants will conduct a final presentation to a selected audience during the first quarter of 2006.

C.5. Research and Develop New Financial Products

A major breakthrough was achieved this quarter in the development of an indexed agriculture insurance product. The activity, which contributes to *Task C.5.1. Determine the viability of new products through research and pilot initiatives* of PREMIER, consists of a relatively low investment (by PREMIER), high risk and high return. The risks are high partly because of the still unproven nature of indexed agriculture insurance in developing countries, but mostly because of PREMIER's strategy to incorporate the private sector. There is no direct public sector support, either in the areas of research or subsidies for the insurance product.

By the end of the third quarter of 2005 PREMIER had gathered a complete body of climate and yield information for several of the main soy cultivation areas of Santa Cruz. This information was critical to the development of an actuarial model and commercially viable insurance product. One of the three re-insurance companies contacted, AON, showed strong interest in activity. After several meetings with the local AON representative, AON arranged for the visit of two Argentinean specialists in the development of actuarial models. A first technical meeting was held in November with the AON team to carefully review the information. This was followed quickly by additional communication in order to clarify technical issues.

Within several weeks AON concluded that the information PREMIER had gathered was sufficient to develop an actuarial model and insurance product. While AON's technical team in Argentina was developing the model, PREMIER continued to work with the local AON representative to identify and choose a local insurance company. An agreement was formed with BISA Insurance and legal consultations were immediately made with the

Superintendence of Pensions, Securities and Insurance (SPVS). It was concluded that the indexed agriculture insurance product was allowing within existing legislation and regulations.

AON and BISA moved with stunning alacrity during the month of December in an effort to launch an insurance product for the summer growing season, which began in December. After the development of a model and product, AON implemented a training program about indexed agriculture insurance for BISA executives and agents. It was decided that BISA would market the product during the first two weeks of January 2006. This first go-round would involve offering the product to Bolivia's major agro-industries and input suppliers.

The insurance product offered by BISA hinges on rainfall. It is designed to cover catastrophic losses due to a deficit or excess of precipitation. The product is highly flexible, providing the customer with options with regard to the specific periods covered and the amounts covered.

While the private sector has clearly undertaken its own initiative, PREMIER will help ensure the success of the new product. The impact of this product will be significant in expanding the amount of credit available to farmers. Nevertheless, we believe much greater impact will be achieved once this and other similar products are offered directly to small and medium sized farmers. We will encourage and facilitate this process over the remaining nine months of the Project. Some of the principal activities we plan to support include:

- Provision of supplementary climate information for the areas covered,
- Identify and provide methodological protocols for the climate stations,
- Purchase back-up climate stations,
- Support the wide dissemination of information about the insurance product to small and medium sized farmers,
- Inform other actors in the insurance and financial sectors, especially microfinance institutions, with the objective that they increase services in rural areas,
- Collaborate with an umbrella institution, preferably MACA, to develop and manage a network of reliable, publicly available climate information.

Finally, it is worth mention that AON submitted a request to PREMIER in October for financial and technical support, mainly to offset the costs associated with developing the actuarial model and new insurance product. PREMIER recommended that AON re-orient its proposal as a FIF proposal. By the end of the quarter, though, PREMIER had not received a proposal from AON.

Task C.5.2. Support improvements and expansion of Bolivian Products Exchange was implemented this quarter. Two local consultants were hired to develop a comprehensive business plan for the new Products Exchange. This work was coordinated by one the Bolsa Boliviana de Valores (BBV), one of the future Exchange's main founders and shareholders.

Despite delays due to inadequate coordination by the BBV and other shareholders, the business plan was completed during the quarter.

PREMIER participated in a detailed debriefing, also attended by the Exchange's principal current shareholders. The final document demonstrated that the growing agricultural markets in Santa Cruz require the services of a Products Exchange. The most important of these services will be increased price transparency and new mechanisms that will allow producers to access credit under better circumstances. The Exchange will also foster improved administration of risks by the variety of actors in the agricultural chains. Finally, the business plan clearly shows the commercial and financial viability of the Exchange.

Nevertheless, at PREMIER's suggestion, it was agreed that a self-contained executive summary would augment the document's usefulness as a prospectus for new investors. The President of the future Exchange agreed to draft the summary. While PREMIER's formal support to the Exchange has been concluded, we will continue to closely monitor its development and to support its formal creation during 2006.

D. Component 3 – Innovation and Expansion

D.1. Develop and Implement Finance Innovation Fund (FIF)

As reported for the third quarter, authority to restore the FIF was granted in September with an amendment to the PREMIER task order authorizing DAI to administer grants. Once this authority was restored, PREMIER quickly informed the community of institutions involved in the financial industry, especially microfinance institutions.

Early in the third quarter PREMIER received two major FIF proposals. The first, an initiative to securitize NGO loan portfolio, is described above under Component II's *Task C.2.6. Develop and implement strategy to access market funds for NGOs*. The operation was approved by the Evaluation Committee and USAID, after which a formal grant agreement was signed between PREMIER and NAFIBO.

The second potential operation, submitted by BISA Leasing, involved the development of leasing risk management models within the context of Basle II. BISA currently follows the SBEF's provisions requirements and has not developed its own risk management tools. The innovation, BISA believed, would result in a significant increase in earnings.

Before submission to the FIF Evaluation Committee, PREMIER analyzes the viability of all grant submissions. In this particular case, we consulted with the SBEF to assess whether the regulatory entity would be disposed to a new risk management model for leasing. The response, unfortunately, was negative. The SBEF stated that it would not be developing the capacity to consider such models until late 2007 or 2008. On the basis of this critical opinion, PREMIER informed BISA Leasing it would not present the proposal to the FIF Evaluation Committee.

A third FIF proposal was received late in the quarter from a small credit union in Santa Cruz, Nuestra Senora de Cotoca. The proposal, which consists of the development of a new mobile credit product, will be submitted to the Evaluation Committee early in the next quarter.

In addition to the three new proposals, a proposal that was approved by the Committee, but had not been cleared by USAID, was resumed. The proposal, a highly innovative initiative to create a SME fund through the capital markets, had been postponed due to USAID's ruling on the prohibition of grants administration under AMAP in late 2004. By the end of the fourth quarter, the first component of the initiative had been completed by the implementing organization CAISA. This component, consisting of a "deal flow analysis," demonstrated the economic and institutional viability of the project. PREMIER will continue to closely monitor the advances of this activity during the first quarter of 2006. According to CAISA's plans, we expect the activity to culminate in the Fund's operation during the second quarter of 2006.

Attached Annex 6 (FIF Grants Tracker) provides financial information for all of the FIF grants that have been authorized to date. PREMIER has agreed with the USAID CTO that all of these and any newly authorized grants must be closely out financially before the September 30 Project termination date. It should be noted that several FIF innovations were financed through non-grant instruments (technical assistance and purchase orders) during the period that grants administration was prohibited. These operations were discussed and approved by both the USAID CTO at the time and the Regional Contracts Officer.

II. Summary of Activities Planned for 4th Quarter 2005 (Oct – Dec)

A. Project Administration

A.2. Contract Deliverables and Reporting

Task A.2.2. Quarterly reports

- The second quarter report will be submitted to USAID in April, 2006.

Task A.2.4. Report matrix

- The report matrix, covering all deliverables, will be submitted to USAID by April 30, 2006.

A.4. General Administrative Tasks

- Submit PREMIER close-out plan to USAID for feedback and to ensure that all USAID requirements are addressed.

B. Component 1 – Policy and Regulation

B.1. Encourage and Support Financial Policy and Legal Reform

Task B.1.4. Provide Policy T.A. to GOB Institutions

- Complete summary documents of OSU studies; publish these documents in a reputable economic journal and on the www.microfinanzasbolivia.com web site.
- As soon as the new Government assigns high level counterparts for finance issues, meet with these counterparts to discuss future financial policy initiatives; assess the possibility, although remote, of pushing the FONDESIF Supreme Decree for improved governance.
- Together with USAID CTO, initiate donor coordination in an effort to present the new Government with a donor policy position on development finance and microfinance.

Task B.1.8. Develop new legislation for secured transactions and credit bureaus

- Provide the new Government with a briefing on PREMIER's work to develop movable guarantees legislation; assess level of interest and potential options to proceed with PREMIER support; determine whether or not PREMIER will provide further support to this initiative.

- Carry out analysis of the critical legal and regulatory impediments to the functioning of credit bureaus; based on the analysis, consult with the SBEF and other authorities in assessing the potential for developing new legislation or regulation.

B.2. Support ASOFIN as Principal Institution for Policy Dialogue

Task B.2.5. Provide TA for analysis and lobbying

- Involve ASOFIN (as well as FINRURAL) in formulating a microfinance sector strategy with the incoming Government. This will not require financial support from PREMIER.

B.3. Support Stronger and more Appropriate Financial Regulation and Supervision

Task B.3.2. Evaluate and revise credit risk norms

- Finalize Module I with the completion of an institutional strategic plan to implement Basle II in the SBEF.
- Coordinate a formal presentation to USAID and the IMF of Module I results and proposed ongoing support to the SBEF.
- Determine whether PREMIER will provide ongoing support (implementation of modules II, III and IV); if approved by USAID, quickly mobilize consultant team and initiate support.

C. Component 2 – Industry Development

C.1. Review and Revise Strategy to Support Development of Functioning and Sustainable Private Credit Bureaus

Task C.1.7. Support the improvement of ENSERBIC's delivery of services.

- Identify consultants and initiate technical assistance in developing new products for ENSERBIC. The products consist of information collection and verification services.

C.2. Support financial NGOs to become more transparent and market oriented

Task C.2.5. Strengthen corporate governance of selected financial NGOs

- Design and implement course on operations risk in financial institutions.

Task C.2.6. Develop and implement strategy to access market funds for NGOs

- Conduct ongoing monitoring and facilitate NAFIBO-led initiative to securitize assets of finance NGOs.

C.3. Develop and implement information and support services to the industry

Task C.3.1. Develop and implement website for the Bolivian microfinance industry

- Develop and review a financial and institutional sustainability plan for the microfinance website and acquire Advisory Committee approval to begin implementation of the plan.
- Initiate aggressive marketing of web site to expand user visits and to increase the site's sustainability.

C.4. Support Expansion of Credit to Small and Medium-sized Businesses through Innovation

Task C.4.3. Develop and execute program to improve SME credit instruments

- Continue collaboration with Los Andes in conceptualizing a full-blown new product initiative to expand SME lending.
- Complete and disseminate the market demand study for leasing services; conduct a formal presentation of market study results to potential investors in leasing and other actors.

C.5. Research and Develop New Financial Products

Task C.5.1. Determine viability of new services through research and pilot initiatives

- Provide technical support and information to AON and BISA Insurance in agriculture insurance product development and marketing.
- If BISA is successful in selling one or more policies, PREMIER and USAID will organize and participate in a major public launching of new insurance products in Santa Cruz. The purpose of this launch will be to inform industry actors, especially small and medium sized farmers.
- Purchase back-up climate stations.
- Inform other actors in the insurance and financial sectors, especially microfinance institutions, with the objective that they increase services in rural areas.
- Collaborate with an umbrella institution, preferably MACA, to develop and manage a network of reliable, publicly available climate information.

Task C.5.1. Support improvements and expansion of Bolivian Products Exchange

- Monitor the Exchange's plans to disseminate PREMIER supported business plan and to acquire new investors.

D. Component 3 – Innovation and Expansion

D.1. Develop and Implement Finance Innovation Fund (FIF)

Task D.1.5 Operationalize the fund

- Encourage the submission of innovative FIF proposals from private institutions; this will be the last quarter that proposals will be considered by PREMIER in order to allow that all approved proposals are fully implemented before the Project closes out.
- Closely monitor already approved proposals to facilitate their successful and timely implementation.



Innovación y Fortalecimiento de las Finanzas para el Desarrollo

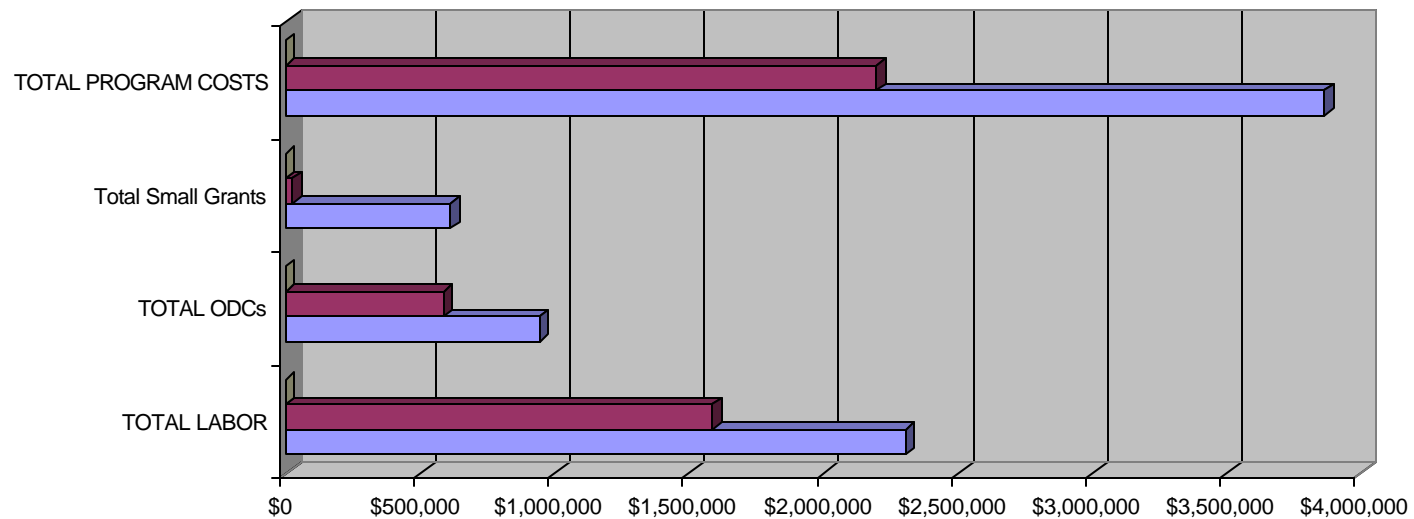
BILLING VS. BUDGET AS OF DECEMBER 31ST, 2005

Contract No: GEG-I-00-02-00011-00 (AMAP MF)

| | BUDGET Total Base | | CUMULATIVE BILLED 01/20/04-12/31/05 TOTAL BASE | | BALANCE | | Burn |
|--|----------------------|--------------------|--|--------------------|------------|--------------------|---------------|
| | Labor | 1/15/04-9/30/06 | Labor | US\$ | Labor | | Rate |
| Total U.S. Expatriate Professionals | 733 | \$927,193 | 442 | \$541,386 | 291 | \$375,225 | 59.06% |
| Total Locally-Hired National Personnel | 743 | \$447,958 | 1646 | \$651,384 | -903 | -\$203,426 | 145.41% |
| Total Subcontractors Labor | 909 | \$931,981 | 383 | \$395,342 | 526 | \$536,639 | 42.42% |
| TOTAL LABOR | 2385 | \$2,307,132 | 2471 | \$1,588,112 | -86 | \$719,020 | 68.83% |
| TOTAL ODCs | | \$944,634 | | \$585,809 | | \$358,825 | 62.01% |
| Total Small Grants | | \$612,000 | | \$23,484 | | \$612,000 | 3.84% |
| TOTAL PROGRAM COSTS | | \$3,863,766 | | \$2,197,405 | | \$1,689,845 | 56.87% |
| 5% Direct labor With/held | | | | -\$50,000 | | | |
| TOTAL BILLING | | | | \$2,147,405 | | | |
| OBLIGATED AMOUNT | | | | \$3,577,000 | | | |

*Note: 8-month + 10 days Period of Performance in Year 1

**PREMIER PROJECT BILLING VERSUS BUDGET RECONCILIATION
AS OF DECEMBER 31ST, 2005**



| | | TOTAL LABOR | TOTAL ODCs | Total Small Grants | TOTAL PROGRAM COSTS |
|---------------------|-------------------|-------------|------------|--------------------|---------------------|
| □ BURN RATE | | 68.83% | 62.01% | 3.84% | 56.87% |
| ■ CUMULATIVE BILLED | 01/20/04-12/31/05 | \$1,588,112 | \$585,809 | \$23,484 | \$2,197,405 |
| ■ BUDGET | | \$2,307,132 | \$944,634 | \$612,000 | \$3,863,766 |



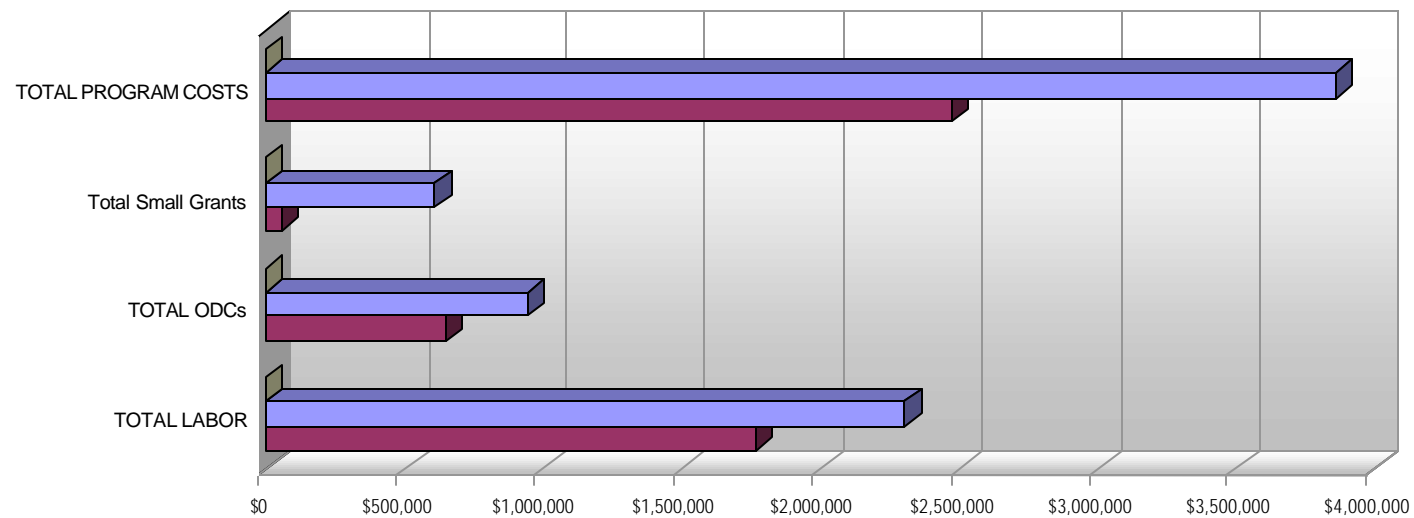
**Innovación y Fortalecimiento de las
Finanzas para el Desarrollo**

ESTIMATED ACCRUED EXPENDITURES AS OF DECEMBER 31ST, 2005

Contract No:GEG-I-00-02-00011-00 (AMAP MF)

| | ACCRUED EXPENDITURES | | | | |
|--|--------------------------------------|-----------------------------------|-----------------------------|---------------------------------|--------------------|
| | BUDGET Total Base 1/15/04-9/30/06 | Last reported 1/15/04-09/30/05 | Period 10/01/05-12/31/05 | GRAND TOTAL 1/15/04-12/31/05 | BALANCE |
| Total U.S. Expatriate Professionals | \$927,193 | \$497,322 | \$80,750 | \$578,072 | \$349,121 |
| Total Locally-Hired National Personnel | \$447,958 | \$623,970 | \$108,258 | \$732,228 | -\$284,270 |
| Total Subcontractors Labor | \$931,981 | \$463,673 | -\$4,828 | \$458,845 | \$473,136 |
| TOTAL LABOR | \$2,307,132 | \$1,584,965 | \$184,180 | \$1,769,145 | \$537,987 |
| TOTAL ODCs | \$944,634 | \$565,098 | \$80,911 | \$646,009 | \$298,625 |
| Total Small Grants | \$612,000 | 47,707 | 13,292 | \$60,999 | \$551,001 |
| TOTAL PROGRAM COSTS | \$3,863,766 | \$2,197,770 | \$278,382 | \$2,476,152 | \$1,387,614 |

PREMIER PROJECT ESTIMATED EXPENDITURES AT DECEMBER 31, 2005



| | TOTAL LABOR | TOTAL ODCs | Total Small Grants | TOTAL PROGRAM COSTS |
|------------------------|-------------|------------|--------------------|---------------------|
| □ Burn Rate | 76.68% | 68.39% | 9.97% | 64.09% |
| ■ BUDGET Total Base | \$2,307,132 | \$944,634 | \$612,000 | \$3,863,766 |
| ■ ACCRUED EXPENDITURES | \$1,769,145 | \$646,009 | 60,999 | \$2,476,152 |

Annex 3



Innovación y Fortalecimiento de las
Finanzas para el Desarrollo

**ANNUAL REPORT OF GOVERNMENT PROPERTY
IN CONTRACTOR'S CUSTODY
PREMIER PROJECT - CONTRACT NO. GEG-I-803-02-00011-0 TASK ORDER 803
AS OF DECEMBER 31ST, 2005**

| | | | Motor Vehicles | Furniture and Furnishings | Other Non-expendable Property | Office living quarters | TOTAL |
|----|---|---------|----------------|---------------------------|-------------------------------|------------------------|--------------|
| a) | Value of Property as of last report | | \$30,000.00 | \$21,627.94 | \$57,177.35 | \$0.00 | \$108,991.28 |
| b) | Transaction during this reporting period | | | | | | |
| 1) | Acquisitions (add): | | | | | | |
| a) | Purchased by contractor NON-EXPENDABLE | | | | | | |
| | Sub-total Purchased by contractor NON-EXPENDABLE | | | | | | |
| a) | Purchased by contractor EXPENDABLE | | | | | | |
| | TOTAL FOR Purchased by contractor (1) | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| b) | Transferred form aid (2) | | | | | | |
| c) | Transferred from others without reimbursement (3) NON-EXPENDABLE TRANSFERRED FROM SEFIR PROJECT | | | | | | |
| c) | Transferred from others without reimbursement (3) EXPENDABLE TRANSFERRED FROM SEFIR PROJECT | | | | | | |
| | TOTALS FOR Transferred from others without reimbursement (3) TRANSFERRED FROM SEFIR PROJECT | | - | - | - | - | - |
| 2) | Disposals (deduct): | | | | | | |
| a) | Returned to aid | | | | | | |
| b) | Transferred to aid- contractor purchased | | | | | | |
| c) | Transferred to other government agencies (3) | | | | | | |
| d) | Other disposals (3) | | | | | | |
| | TOTALS FOR Disposals | | | - | - | | |
| c) | Value of property as of reporting date | | \$30,000.00 | \$21,627.94 | \$57,177.35 | \$0.00 | \$108,991.28 |
| d) | Estimated average age of contractor held property | | | | | | |
| | Average Age of property transferred from SEFIR PROJECT | 4 years | 4 years | 4 years | | | |
| | Average Age of property purchased during PREMIER PROJECT | | 1.5 years | 1.5 years | | | |

- (1) property which is complete in itself, does not lose its identity or become a component of another article when put into use; is durable, with an expected life of two years or more; and which has a unit cost of more than \$500
- (2) Government furnished property listed in this contract as non-expendable.
- (3) Explain if transactions were not processed through or otherwise authorized by aid.
- (4) After recent Physical Inventory, finding shows that this item was inadvertently omitted in SEFIR Project Final Procurement Report.



Innovación y Fortalecimiento de las
Finanzas para el Desarrollo

LOE TRACKER AS OF DECEMBER 31ST, 2005

| Consultant Position/Level | No. SOW | (A) LOE Approved | LOE Used this month | (B) Cumulative LOE USED | (A-B) BALANCE | LOE Billed this month | Cumulative LOE Billed (DAYS) | Cumulative Billed (HOURS) | Comments |
|---------------------------------|-------------------|------------------------|------------------------------|----------------------------------|------------------|-----------------------------|------------------------------------|---------------------------------|-----------|
| ACCION - GÓMEZ, RAUL | SOW-033/04 | 6 | | 6.00 | 0.00 | | 6.000 | 48.00 | Completed |
| ACCION-GOMEZ, RAUL | | 6 | | 6.00 | 0.00 | | 6.000 | 48.00 | |
| ACCION - SOLARES, MERY | SOW-033/04 | 3 | | 3.00 | 0.00 | | 3.000 | 24.00 | Completed |
| | SOW-004/05 | 8 | | 8.00 | 0.00 | | | | Completed |
| ACCION - SOLARES, MERY | | 11 | | 11.00 | 0.00 | | 3.000 | 24.00 | |
| ACEVEDO, JULIO | SOW-006/05 | 120 | | 54.50 | 65.50 | 25.000 | 54.500 | 436.00 | Ongoing |
| | SOW-006/05 Ammdmt | -20 | | | -20.00 | | | | |
| ACEVEDO, JULIO | | 100 | | 54.50 | 45.50 | 25.000 | 54.500 | 436.00 | |
| AGUILAR, JUAN CARLOS | SOW-023/04 | 60 | | 0.00 | 60.00 | | | | Cancelled |
| | CANCELLED | -60 | | 0.00 | -60.00 | | | | |
| AGUILAR, JUAN CARLOS | | 0 | | 0.00 | 0.00 | | | | |
| ARAUJO, JAIME | SOW-009/05 | 10 | 3.875 | 10.00 | 0.00 | 6.125 | 6.125 | 49.00 | Completed |
| ARAUJO, JAIME | | 10 | 3.875 | 10.00 | 0.00 | 6.125 | 6.125 | 49.00 | |
| BILBAO, RENÉ | SOW-009/04 | 30 | | 30.00 | 0.00 | | 30.000 | 240.00 | Completed |
| BILBAO, RENÉ | | 30 | | 30.00 | 0.00 | | 30.000 | 240.00 | |
| BÖHRT, RAÚL | SOW-015/04 | 6 | | 6.00 | 0.00 | | 6.000 | 48.00 | Completed |
| | SOW-041/04 | 4 | | 4.00 | 0.00 | | 4.000 | 32.00 | Completed |
| BÖHRT, RAÚL | | 10 | | 10.00 | 0.00 | | 10.000 | 80.00 | |
| CARDONE, RODOLFO | SOW-008/04 | 25 | | 25.00 | 0.00 | | 25.000 | 200.00 | Completed |
| | SOW-026/04 | 22 | | 22.00 | 0.00 | | 22.000 | 176.00 | Completed |
| | SOW-039/04 | 90 | | 83.13 | 6.88 | | 88.875 | 711.00 | Completed |
| | SOW-001/05 | 13 | | 13.00 | 0.00 | | 13.000 | 104.00 | Completed |
| CARDONE, RODOLFO | | 150 | | 143.13 | 6.88 | | 148.875 | 1191.00 | |
| CARVAJAL, JOSE ARIEL | SOW-016/04 | 30 | | 30.00 | 0.00 | | 30.000 | 240.00 | Completed |
| | SOW-030/04 | 16 | | 16.00 | 0.00 | | 16.000 | 128.00 | Completed |
| CARVAJAL, JOSÉ ARIEL | | 46 | | 46.00 | 0.00 | | 46.000 | 368.00 | |
| CASTELLANOS, MARCELO | SOW-006/05 | 65 | | 23.50 | 41.50 | | 13.500 | 108.00 | Ongoing |
| | SOW-006/05 Ammdmt | 10 | | | 10.00 | | | | |
| CASTELLANOS, MARCELO | | 75 | | 23.50 | 51.50 | | 13.500 | 108.00 | |
| CEAL - DE LA PEÑA, NURIA | SOW-004/04 | 10 | | 10.00 | 0.00 | | 10.000 | 80.00 | Completed |
| | SOW-025/04 | 75 | | 75.00 | 0.00 | | 75.000 | 600.00 | Ongoing |
| | SOW-025/04 Ammdmt | 16 | | 16.00 | 0.00 | | 16.000 | 128.00 | |
| | SOW-014/2005 | 65 | | 3.70 | 61.30 | | 3.700 | 29.60 | |
| CEAL - DE LA PEÑA, NURIA | | 166 | | 104.70 | 61.30 | | 104.700 | 837.60 | |

| Consultant Position/Level | No. SOW | (A) LOE Approved | LOE Used this month | (B) Cumulative LOE USED | (A-B) BALANCE | LOE Billed this month | Cumulative LOE Billed (DAYS) | Cumulative Billed (HOURS) | Comments |
|---------------------------------|--|------------------------|------------------------------|----------------------------------|-------------------------|-----------------------------|------------------------------------|---------------------------------|------------------------|
| CEAL - GARRO, ALEJANDRO | SOW-014/2005 | 5 | | 0.00 | 5.00 | | 0.000 | 0.00 | Ongoing |
| CEAL - GARRO, ALEJANDRO | | 5 | | 0.00 | 5.00 | | 0.000 | 0.00 | |
| CEAL - GIRTON, LANCE | SOW-014/2005 | 5 | | 0.00 | 5.00 | | 0.000 | 0.00 | Ongoing |
| CEAL - GIRTON, LANCE | | 5 | | 0.00 | 5.00 | | 0.000 | 0.00 | |
| CEAL - FLEISIG, HEYWOOD | SOW-025/04 SOW-025/04 Ammndmt SOW-014/2005 | 30 15 35 | | 30.00 11.00 35.00 | 0.00 4.00 35.00 | | 30.000 11.000 | 240.00 88.00 | Ongoing |
| CEAL - FLEISIG, HEYWOOD | | 80 | | 41.00 | 39.00 | | 41.000 | 328.00 | |
| CEAL - MOONEY, CHARLES | SOW-014/2005 | 5 | | 0.00 | 5.00 | | 0.000 | 0.00 | Ongoing |
| CEAL - MOONEY, CHARLES | | 5 | | 0.00 | 5.00 | | 0.000 | 0.00 | |
| CEAL - SPAGNOLE, JOHN | SOW-025/04 SOW-025/04 Ammndmt SOW-014/2005 | 38 -31 5 | | 7.00 0.00 0.00 | 31.00 -31.00 5.00 | | 7.000 | 56.00 | Ongoing |
| CEAL - SPAGNOLE, JOHN | | 12 | | 7.00 | 5.00 | | 7.000 | 56.00 | |
| DALY, JORGE | SOW-006/05 SOW-006/05 Ammndmt | 35 -35 | | | 35.00 -35.00 | | | 0.00 | Cancelled |
| DALY, JORGE | | 0 | | 0.00 | 0.00 | | 0.000 | 0.00 | |
| FRIES, TAMI | SOW-003/04 | 7 | | 7.00 | 0.00 | | 7.000 | 56.00 | Completed |
| FRIES, TAMI | | 7 | | 7.00 | 0.00 | | 7.000 | 56.00 | |
| FERNANDEZ, DINKO | SOW-039/04 | 90 | | 66.75 | 23.25 | | 59.750 | 478.00 | Completed |
| FERNANDEZ, DINKO | | 90 | | 66.75 | 23.25 | | 59.750 | 478.00 | |
| FORGUES, JEANNINE | SOW-009/05 | 10 | 1 | 10.00 | 0.00 | 9.000 | 9.000 | 72.00 | Completed |
| FORGUES, JEANNINE | | 10 | 1 | 10.00 | 0.00 | 9.000 | 9.000 | 72.00 | |
| GRANDI, MARIA DEL CARMEN | SOW-005/05 SOW-002/05 | 8 21 | | 8.00 21.00 | 0.00 0.00 | | 8.000 21.000 | 64.00 168.00 | Completed Completed |
| GRANDI, MARIA DEL CARMEN | | 29 | | 29.00 | 0.00 | | 29.000 | 232.00 | |
| GUEVARA, RAMIRO | SOW-023/04 SOW-015/05 | 40 40 | | 33.43 | 6.57 40.00 | 2.500 | 33.430 | 267.44 | Ongoing Ongoing |
| GUEVARA, RAMIRO | | 80 | | 33.43 | 46.57 | 2.500 | 33.430 | 267.44 | |
| ICC - ROSALES, RAMÓN | SOW-002/04 | 8 | | 8.00 | 0.00 | | 8.000 | 64.00 | Completed |
| ICC - ROSALES, RAMÓN | | 8 | | 8.00 | 0.00 | | 8.000 | 64.00 | |
| ICC - ALBA, CARLOS | SOW-002/04 | 9 | | 9.00 | 0.00 | | 9.000 | 72.00 | Completed |
| ICC - ALBA CARLOS | | 9 | | 9.00 | 0.00 | | 9.000 | 72.00 | |
| LEITON, JORGE | SOW-008/05 | 18 | | 18.00 | 0.00 | | 18.000 | 144.00 | Completed |
| LEITON, JORGE | | 18 | | 18.00 | 0.00 | | 18.000 | 144.00 | |

| Consultant Position/Level | No. SOW | (A) LOE Approved | LOE Used this month | (B) Cumulative LOE USED | (A-B) BALANCE | LOE Billed this month | Cumulative LOE Billed (DAYS) | Cumulative Billed (HOURS) | Comments |
|-------------------------------------|--|-------------------------------|---------------------------|---|--|-----------------------------|--|--|--|
| LLENAS, MIGUEL | SOW-010/04 SOW-019/04 SOW-019/04 Ammdmnt | 7 20 3 | | 7.00 20.00 3.00 | 0.00 0.00 0.00 | | 7.000 20.000 3.000 | 56.00 160.00 24.00 | Completed Completed Completed |
| LLENAS, MIGUEL | | 30 | | 30.00 | 0.00 | | 30.000 | 240.00 | |
| MALDONADO, ROBERTO | SOW-007/04 | 32 | | 20.00 | 12.00 | | 20.000 | 160.00 | Completed Phase 1 Cancelled last 12 days |
| MALDONADO, ROBERTO | | 32 | | 20.00 | 12.00 | | 20.000 | 160.00 | |
| MONTAÑO, GARY | SOW-027/04 SOW-009/05 | 11 15 | | 11.00 0.00 | 0.00 15.00 | | 11.000 | 88.00 | Completed Ongoing |
| MONTAÑO, GARY | | 26 | | 11.00 | 15.00 | | 11.000 | 88.00 | |
| MONTELLANO, GASTON | SOW-023/04 SOW-023/04 Ammdmnt SOW-015/05 | 10 35 40 | | 10.00 32.25 0.00 | 0.00 2.75 40.00 | 5.000 | 10.000 32.250 | 80.00 258.00 | Ongoing Ongoing Ongoing |
| MONTELLANO, GASTON | | 85 | | 42.25 | 42.75 | 5.000 | 42.250 | 338.00 | |
| MORENO, FRANCISCO | SOW-008/05 | 18 | | 18.00 | 0.00 | | 18.000 | 144.00 | Completed |
| MORENO, FRANCISCO | | 18 | | 18.00 | 0.00 | | 18.000 | 144.00 | |
| OSU - GÓMEZ, FRANZ | SOW-028/04 SOW-028/04 Ammdnd 2 | 40 6 | | 40.00 6.00 | 0.00 0.00 | | 40.000 | 320.00 | Ongoing Ongoing |
| OSU - GOMEZ, FRANZ | | 46 | | 46.00 | 0.00 | | 40.000 | 320.00 | |
| OSU - GONZÁLEZ-VEGA, CLAUDIO | SOW-005/04 SOW-012/04 SOW-012/04 - Ammdmnt SOW-017/04 SOW-028/04 SOW-028/04 - Ammdn | 15 15 4 9 54 2 | | 15.00 15.00 4.00 9.00 54.00 2.00 | 0.00 0.00 0.00 0.00 0.00 0.00 | | 15.000 15.000 4.000 9.000 49.000 | 120.00 120.00 32.00 72.00 392.00 | Completed Completed Completed Completed Ongoing Ongoing |
| OSU - GONZÁLEZ-VEGA, CLAUDIO | | 99 | | 99.00 | 0.00 | | 92.000 | 736.00 | |
| OSU - MIRANDA, MARIO | SOW-018/04 SOW-037/04 SOW-037/04 Ammdmnt | 9 20 5 | | 9.00 0.00 0.00 | 0.00 20.00 5.00 | | 9.000 0.000 0.000 | 72.00 0.00 0.00 | Ongoing Ongoing Ongoing |
| OSU - MIRANDA MARIO | | 34 | | 9.00 | 25.00 | | 9.000 | 72.00 | |
| OSU - RODRIGUEZ, JORGE | SOW-037/04 | 11 | | 11.00 | 0.00 | | | | Ongoing |
| OSU - RODRIGUEZ, JORGE | | 11 | | 11.00 | 0.00 | | | | |
| OSU - VILLAFANI, MARCELO | SOW-012/04 SOW-012/04 - Ammdmnt SOW-028/04 SOW-028/04 Ammdnd 2 | 18 5 43 2 | | 18.00 5.00 43.00 2.00 | 0.00 0.00 0.00 0.00 | | 18.000 5.000 40.000 | 144.00 40.00 320.00 | Completed Completed Ongoing Ongoing |
| OSU - VILLAFANI, MARCELO | | 68 | | 68.00 | 0.00 | | 63.000 | 504.00 | |
| PANIAGUA, IVÁN | SOW-009/04 | 30 | | 30.00 | 0.00 | | 30.000 | 240.00 | Completed |
| PANIAGUA, IVÁN | | 30 | | 30.00 | 0.00 | | 30.000 | 240.00 | |
| PERES VELASCO, ANTONIO | SOW-035/04 | 42 | | 21.88 | 20.13 | | 21.875 | 175.00 | Completed Only used 21.875 days |
| PERES VELASCO, ANTONIO | | 42 | | 21.88 | 20.13 | | 21.875 | 175.00 | |

| Consultant Position/Level | No. SOW | (A) LOE Approved | LOE Used this month | (B) Cumulative LOE USED | (A-B) BALANCE | LOE Billed this month | Cumulative LOE Billed (DAYS) | Cumulative Billed (HOURS) | Comments |
|------------------------------|--|------------------------|------------------------------|----------------------------------|-------------------------------|-----------------------------|-------------------------------------|-------------------------------------|--|
| POZO. ELOY JESUS | SOW-006/05 SOW-006/05 nAmmdmnt | 70 -55 | | 15.00 0.00 | 55.00 -55.00 | | 15.000 | 120.00 0.00 | Completed |
| POZO, ELOY JESUS | | 15 | | 15.00 | 0.00 | | 15.000 | 120.00 | |
| REQUENA, MARIO | SOW-034/04 SOW-034/04 Ammdmnt SOW-034/04 2nd Ammdr SOW-015/05 | 32 20 20 40 | | 32.00 20.00 20.00 5.00 | 0.00 0.00 0.00 35.00 | 5.000 | 32.000 20.000 20.000 5.000 | 256.00 160.00 160.00 40.00 | Completed Completed Completed Ongoing |
| REQUENA, MARIO | | 112 | | 77.00 | 35.00 | 5.000 | 77.000 | 616.00 | |
| RIVERO, RAUL | SOW-024/04 | 30 | | 30.00 | 0.00 | | 30.000 | 240.00 | Completed |
| RIVERO, RAUL | | 30 | | 30.00 | 0.00 | | 30.000 | 240.00 | |
| ROSALES, GUIDO | SOW-009/04 | 30 | | 30.00 | 0.00 | | 30.000 | 240.00 | Completed |
| ROSALES, GUIDO | | 30 | | 30.00 | 0.00 | | 30.000 | 240.00 | |
| RUEHMER, CHRISTIAN | SOW-006/05 SOW-006/05 | 55 -40 | | 15.00 | 40.00 -40.00 | | 0.000 0.000 | 0.00 0.00 | Completed Cancelled |
| RUEHMER, CHRISTIAN | | 15 | | 15.00 | 0.00 | | 0.000 | 0.00 | |
| URCULLO, JAVIER | SOW-003/05 - Amnd | 16 | | 15.87 | 0.13 | 15.870 | 15.870 | 126.96 | Completed |
| URCULLO, JAVIER | | 16 | | 15.87 | 0.13 | 15.870 | 15.870 | 126.96 | |
| VELARDE, CARLOS | SOW-036/04 SOW-011/05 | 23 4 | | 23.00 4.00 | 0.00 0.00 | | 23.000 4.000 | 184.00 32.00 | Completed Completed |
| VELARDE, CARLOS | | 27 | | 27.00 | 0.00 | | 27.000 | 216.00 | |
| VILLACORTA, OMAR | SOW-011/04 SOW-020/04 | 20 60 | | 20.00 60.00 | 0.00 0.00 | | 20.000 60.000 | 160.00 480.00 | Completed Completed |
| VILLACORTA, OMAR | | 80 | | 80.00 | 0.00 | | 80.000 | 640.00 | |

Annex 5

DELIVERABLES – REPORT MATRIX **CONTRACT NO. GEG-I-803-02-00011-00 - Task Order No. 803**

As of December 31st, 2005

| Deliverable/Title | Due Date | Effective Date | Approval Date | SOW Reference | No. of Hard copies | Special Notes | Distribution/SOT |
|----------------------------------|--|--|----------------------|----------------------|---|---|---|
| Annual Work Plan – Y1 | Mar 31st, 2004 | March 24th, 2004 | | | 3 English and 1 Spanish to CTO 1 English to RCO | E-mail and labeled disc to CTO | Gabriela Salazar Lourdes Silva |
| Revised Annual Work Plan – Y2 | Aug 31st, 2004 | February 2 nd , 2005 | | | 3 English and 1 Spanish to CTO 1 English to RCO | E-mail and labeled disc to CTO | Gabriela Salazar Lourdes Silva |
| Quarterly Reports | Apr 20th - Brief Jul 20th - Brief Oct 20th -Brief Jan 20th Compl Apr 20 th – Brief Jul.20 th , 2005 Oct. 20 th , 2005 | Apr 27 th ,2004 Jul 30th, 2004 Oct 20 th , 2004 Feb 2 nd , 2005 May 10 th , 2005 Aug. 12, 2005 Oct. 27, 2005 | | | 3 English and 1 Spanish to CTO 1 English to RCO | E-mail and labeled disc to CTO | Gabriela Salazar Lourdes Silva Alice Brooks |
| Final Report (Base Period) | Aug 30th, 2006 | | | | 3 English and 1 Spanish to CTO 1 English to RCO | E-mail and labeled disc to CTO | Gabriela Salazar Lourdes Silva |
| Performance Monitoring | Jul 20th Jan20th | June 29th, 2004 January 3 rd , 05 | | | | PREMIER -130/04 JUNE 29 th , 2004 | Gabriela Salazar |
| Accruals | Mar 10 th , 2004 Jun 10 th , 2004 Sept 10 th , 2004 Dec 10 th , 2004 Mar 10 th , 2005 Jun 10 th , 2005 Sept. 10, 2005 Dec. 10, 2005 | Mar 10th, 2004 Jun 6th, 2004 Sept. 7th, 2004 Dec. 8 th , 2004 Mar 9 th , 2005 Jun 10 th , 2005 Sept. 08, 2005 Dec.08, 2005 | | | 1 By e-mail | By e-mail | Gabriela Salazar Rafael Porres Margare Enis Rafael Porres Alice Brooks Rafael Porres |

| Deliverable/Title | Due Date | Effective Date | Approval Date | SOW Reference | No. of Hard copies | Special Notes | Distribution/SOT |
|---|-------------------------------|-----------------------------------|-------------------------------|----------------------|---------------------------|---|-----------------------------------|
| Grants Fund Manual | Mar 30th, 2004 | April 1st, 2004 | April 12, 2004 | | 2 | USAID approval EO-R-011/04 | Gabriela Salazar Lourdes Silva |
| “Manual de Políticas y Procedimientos Administrativos” | Mar 15th, 2004 | March 17th, 2004 | April 20th, 2004 | | 2 | RCO concurrence RCO/154/04 RCO/182/04 | Gabriela Salazar Lourdes Silva |
| Waiver to process TCNs in US dollars | Mar 18th, 2004 | March 18th, 2004 | April 14th, 2004 | | 1 | By e-mail | Lourdes Silva Gabriela Salazar |
| Work Plan for Regulation Component – SBEF/ICC R. Rosales/C. Alba | April 3 rd , 2004 | May 5 th , 2004 | March 15 th , 2004 | SOW-002/04 | | Final Report sent PREMIER-069/2004 – May 5 th , 2004 | Gabriela Salazar |
| Technical And Administrative Management Information System (TAMIS) Customization T. Fries | April 20 th , 2004 | April 20 th , 2004 | March 26 th , 2004 | SOW-003/04 | | Final report sent PREMIER-158/2004 July 27 th , 2004 | Gabriela Salazar |
| Work Plan for Legal Reform PREMIER/CEAL N. de la Peña | April 23 rd , 2004 | 2 nd week of May, 2004 | March 26 th , 2004 | SOW-004/04 | | Report sent unofficially by Steve Smith | Gabriela Salazar |
| Desarrollo de un Plan de Trabajo para la Reforma de Políticas y Regulaciones en Microfinanzas C. González Vega - OSU | April 16 th , 2004 | May 13 th , 2004 | March 15 th , 2004 | SOW-005/04 | | Final Report sent PREMIER-080/2004 – May 13 th , 2004 | Gabriela Salazar |
| WEB Page Design and launching R. Maldonado | Sep. 7th, 2004 | Sep. 17 th , 2004 | March 29th, 2004 | SOW-007/04 | | Final Report sent PREMIER-254/2004 – September 27 th , 2004 | Gabriela Salazar |
| Elaboration of Portfolio Rating Norms for Agricultural Microcredit Portfolio R. Cardone | July 30 th , 2004 | Sep. 3 rd , 2004 | June 9 th , 2004 | SOW-008/04 | | Final Report sent PREMIER-243/2004 – September 20 th , 2004 | Gabriela Salazar |

| Deliverable/Title | Due Date | Effective Date | Approval Date | SOW Reference | No. of Hard copies | Special Notes | Distribution/SOT |
|--|--------------------------------|------------------------------|-------------------------------|----------------------|---------------------------|---|-------------------------|
| Revision of Software Solution for INFOCRED, which will allow it to produce and offer services to its clients G. Rosales, R. Bilbao, I. Paniagua | July 31 st , 2004 | July 29 th , 2004 | April 13 th , 2004 | SOW-009/04 | | Final Reports sent PREMIER-163/2004 July 29 th , 2004 | Gabriela Salazar |
| Conduct Workshop on Private Credit Bureaus M. Llenas | May 13 th , 2004 | | April 29 th , 2004 | SOW-010/04 | | Completed | |
| Conduct Workshop on Agricultural Insurance J. Skees | May 13 th , 2004 | June 9 th , 2004 | April 29 th , 2004 | PO | | Final Report sent PREMIER-111/2004 - June 9, 2004 | Gabriela Salazar |
| Conduct Workshop on Innovation in Microfinance J. Buchenau | May 13 th , 2004 | June 29 th , 2004 | April 29 th , 2004 | PO | | Final Report sent PREMIER-126/2004 - June 29, 2004 | Gabriela Salazar |
| Compilation/generation of information to be included on the “Bolivian Micro-finance (Microfinanzas Bolivia)” web page. O. Villacorta | May 7 th , 2004 | June 1 st , 2004 | April 16 th , 2004 | SOW-011/04 | | Final Report sent PREMIER-110/2004 – June 9 th , 2004 | Gabriela Salazar |
| Provide Policy T.A. to Government InstitutionS C. Gonzalez Vega, M. Villafani – OSU | June 18 th , 2004 | Oct. 6 th , 2004 | May 10 th , 2004 | SOW-012/04 | | Final Report sent PREMIER-270/2004 – Oct. 6 th , 2004 | Gabriela Salazar |
| Workshop/Seminar to facilitate the elaboration of ASOFIN’s strategic plan R. Böhr | June 30 th , 2004 | July 7 th , 2004 | June 15 th , 2004 | SOW-015/04 | | Final Report sent PREMIER-137/2004 – July 7 th , 2004 | Gabriela Salazar |
| Regulatory Framework for Licensed Credit Union Central Finance Facility J. Carvajal | August 12 th , 2004 | Sep. 3 rd , 2004 | June 29 th , 2004 | SOW-016/04 | | Final Report sent PREMIER-214/2004 – Sep 2 nd , 2004 | Gabriela Salazar |

| Deliverable/Title | Due Date | Effective Date | Approval Date | SOW Reference | No. of Hard copies | Special Notes | Distribution/SOT |
|--|--------------------------------------|------------------------------------|-----------------------------------|----------------------|---------------------------|---|-------------------------|
| Provide Policy T.A. to Government Institutions C, González Vega – OSU | July 18 th , 2004 | Oct5. 6 th , 2004 | June 30 th , 2004 | SOW-017/04 | | Final Report sent PREMIER-271/2004 – Oct. 6th, 2004 | Gabriela Salazar |
| Research and Develop Agriculture Insurance Products M. Miranda – OSU | Sep 25 th , 2004 | | Sep 10 th , 2004 | SOW-018/04 | | Completed | |
| Analysis and evaluation of processes in areas of operations, systems and marketing of ENSERBIC. M. Llenas | August 20 th , 2004 | August 31 st , 2004 | July 8 th , 2004 | SOW-019/04 | | Final Report sent PREMIER-204/2004 – Aug. 31 st , 2004 | Gabriela Salazar |
| Support for the construction of the “Microfinance Bolivia” Web page O. Villacorta | October 30 th , 2004 | November 4 th , 2004 | July 8 th , 2004 | SOW-020/04 | | Final Report sent PREMIER-217/2004 – Nov. 11th, 2004 | Gabriela Salazar |
| Creation and introduction of current thematic information into the microfinance Industry page. Omar Villacorta | October 7 th , 2004 | May 27 th , 2005 | October 6 th , 2005 | SOW-021/04 | | Final Report sent PREMIER-127/2005 June 17th, 2005 | Margaret Enis |
| Analysis of the legal framework of the forestry activities Jennine Forgues | September 30 th , 2004 | September 20th, 2004 | Not required | SOW-022/04 PO | | Final Report sent PREMIER-245/2004 – Sep. 22 nd , 2004 | Gabriela Salazar |

| Deliverable/Title | Due Date | Effective Date | Approval Date | SOW Reference | No. of Hard copies | Special Notes | Distribution/SOT |
|---|----------------------------------|----------------------------------|---------------------------------|----------------------|---------------------------|--|-------------------------|
| New Legislation for Secured Transactions and Credit Bureaus – Phase I R, Guevara, Gastón Montellano | October 31 st , 2005 | October 31 st , 2005 | October 5 th , 2004 | SOW-023/04 | | Completed | |
| Feasibility study for the establishment of an institutional network for the wire business. Raúl Rivero | December 31st, 2004 | April, 13, 2005 | Sept. 21st, 2004 | SOW-024/04 | | Final Report sent PREMIER-073/2005 – April 13, 2005 | Gabriela Salazar |
| Legal Reform in Secured Transactions and Credit Information CEAL – De La Peña, Spanogle, H. Fleisig | October 31st, 2005 | October 31 st , 2005 | Sept. 21, 2004 | SOW-025/04 | | Completed Final Products pending | |
| Economic/Financial feasibility study for the creation of the central finance facility Rodolfo Cardone | December 3 rd , 2004 | January 13 th , 2005 | October 4 th , 2004 | SOW-026/04 | | Final Report sent PREMIER-005/2005 – Jan. 14 th , 2005 | Gabriela Salazar |
| Courses Implemented in Business Planning Gary Montañó | November 17 th , 2004 | November 17 th , 2004 | October 13 th , 2004 | SOW-027/04 | | Final Report sent PREMIER-324/2004 Nov. 19 th , 2004 | Gabriela Salazar |
| Provide Policy T.A. to Government Institutions C. Gonzalez Vega, F. Gómez, M. Villafani - OSU | October 31st, 2005 | October 31st, 2005 | October 13th, 2004 | SOW-028/04 | | Final Report sent PREMIER-269/05 Nov. 25 th , 2005 | Alice Brooks |

| Deliverable/Title | Due Date | Effective Date | Approval Date | SOW Reference | No. of Hard copies | Special Notes | Distribution/SOT |
|--|----------------------------------|----------------------------------|--|----------------------|---------------------------|--|-------------------------|
| Development of norms allowing the creation and licensing of a Credit Union Central Finance Facility José Carvajal | November 17 th , 2004 | January 6 th , 2005 | October 13th, 2004 | SOW-030/04 | | Final Report sent PREMIER-003/2005 January 6 th , 2005 | Gabriela Salazar |
| Development and Publication of a Web Site “Microfinanzas Bolivia.com” NOVA Interactiva | November 14 th , 2005 | November 25 th , 2005 | Not required | SOW-031/04 PO | | Completed | |
| Hold Workshops and Seminars on Policy Issues Publish Studies and Analyses on Policy and Legal Issues J. Trigo | October 29 th , 2004 | October 27 th , 2004 | Not required, | SOW-032/04 P.O. | | Final Report sent PREMIER-299/2004 October 29 th , 2004 | Gabriela Salazar |
| Hold Workshops and Seminars on Policy Issues Publish Studies and Analyses on Policy and Legal Issues R. Calderón | November 5th, 2004 | November 9th, 2004 | Not required, | SOW-032/04 P.O. | | Final Report sent PREMIER-310/2004 November 11 th , 2004 | Gabriela Salazar |
| Courses Implemented in Design and Development of Products – La Paz R. Gómez-Velásquez, M. Solares – ACCION | November 30th, 2004 | December 6th, 2004 | November 12th, 2004 | SOW-033/04 | | Final Report sent PREMIER-345/2004 December 10 th , 2004 | Gabriela Salazar |
| No concrete reports or deliverables required. Consultant will be asked to provide these on demand. M. Requena | October 31 st , 2005 | Oct.31, 2005 | December 3 rd , 2004 Amendment December 29 th , 2004 | SOW-034/04 | | Completed | |

| Deliverable/Title | Due Date | Effective Date | Approval Date | SOW Reference | No. of Hard copies | Special Notes | Distribution/SOT |
|--|-----------------------------------|-----------------------------------|---------------------------------|----------------------|---------------------------|--|---------------------------------|
| Legal report to determine the pros and cons for the establishment of a financial consumer ombudsman mechanism A. Peres Velasco | March 15 th , 2005 | March 31, 2005 | January 5 th , 2005 | SOW-035/04 | | Final Report sent PREMIER-168/2005 Aug. 3 rd , 2005 | Michael Kaiser Ralph Koering |
| Workshops on a) Corporate Governance; b) Risk Management and Internal Control; and c) Microfinance in Bolivia for MFIs' Internal Auditors. C. Velarde | May 31 st , 2005 | May 31 st , 2005 | December 2 nd , 2004 | SOW-036/04 | | Final Report sent PREMIER-113/2005 May 31 st , 2005 | Margaret Enis |
| Mathematical actuarial model, seminar and pilot test of agricultural insurance based indexing. M. Miranda, J. Rodríguez-Meza | December 30 th , 2004 | | April 30 th , 2005 | SOW-037/04 | | Final Products pending | |
| Develop and execute program to improve SME credit instruments R. Cardone, D. Fernández | September 20 th , 2005 | September 20 th , 2005 | January 13 th , 2005 | SOW-039/04 | | Completed Final Report pending | |
| Presentation on "Esquemas de gobernabilidad, propiedad, forma de constitución de capital y control interno en las Cajas de Ahorro en España" J. Pereira | December 30 th , 2004 | January 18 th , 2005 | Not required, | SOW-040/04 P.O. | | Final Report sent PREMIER-012/2005 January 18 th , 2005 | Gabriela Salazar |

| Deliverable/Title | Due Date | Effective Date | Approval Date | SOW Reference | No. of Hard copies | Special Notes | Distribution/SOT |
|---|---------------------------------|---------------------------------|--|--|---------------------------|--|--------------------------------|
| Elaboration of a framework document that will be the basis for expected changes in FONDESIF as a financial institution R. Calderón, R. Böhr | February 4 th , 2005 | February 4 th , 2005 | Not required, December 2 nd , 2004 | SOW-041/04 P.O. R. Calderón SOW-040/04 R. Böhr | | Final Report sent PREMIER-023/2005 February 4 th , 2005 | Gabriela Salazar |
| Report of the findings of the study of the internal audit function in the Bolivian FMIs. R. Cardone | March 31 st , 2005 | June 14 th , 2005 | February 18 th , 2005 | SOW-001/05 | | Final Report sent PREMIER-124/2005 June 14 th , 2005 | Margaret Enis |
| Market study on savings habits of current and potential clients. Design marketing and publicity plan Coop El Progreso M.C. Grandi | May 31 st , 2005 | May 31, 2005 | April 13, 2005 | SOW-002/05 | | Final Report sent PREMIER-156/2005 July 23 rd , 2005 | Michael Kaise Ralph Koering |
| Draft a Supreme Decree consisting of two sections: a) dismantling of the current FONDESIF; and b) establishment of the new institution. J. Urcullo | July 30 th , 2005 | July 30, 2005 | March 29 th , 2005 | SOW-003/05 | | Completed Final Product pending | |
| Courses implemented on Design & Development of Products in Cochabamba and Santa Cruz. M/ Solares – ACCION | April 31 st , 2005 | April 31, 2005 | March 18 th , 2005 | SOW-004/05 | | Final Report sent PREMIER-115/2005 May 27 th , 2005 | Margaret Enis |
| Participation in the workshops to be developed by BCCN. M.C. Grandi | April 30 th , 2005 | April 18 th , 2005 | March 24 th , 2005 | SOW-005/05 | | Final Report sent PREMIER-082/2005 April 18 th , 2005 | Gabriela Salazar |

| Deliverable/Title | Due Date | Effective Date | Approval Date | SOW Reference | No. of Hard copies | Special Notes | Distribution/SOT |
|--|----------------------------------|-----------------------|---|----------------------|---------------------------|-----------------------------------|-------------------------|
| Evaluate SBEF and overall financial system and develop an Institutional Strategic Plan (PEI) aimed at strengthening risk management in financial institutions. Acevedo, Pozo, Castellanos | December 31 st , 2005 | | June 8, 2005 | SOW-006/05 | | Ongoing | |
| Management of information to be introduced in the website for the Bolivian microfinance industry M.C. Grandi | May 31 st , 2006 | | May 27 th , 2005 | SOW-007/05 | | Ongoing | |
| Determination of the viability of new financial products through research and pilot tests for Bolivian Stock Exchange J. Leitón, F. Moreno | Dec.15/2005 | | July 7, 2005 | SOW-008/05 | | Completed Final Report pending | |
| Develop and implement programs for the improvement of credit instruments for SMEs .J. Araujo J. Forgues | Dec. 31, 2005 | | Aug.23, 2005 Ammndmnt Oct.31, 2005 | SOW-009/05 (A) | | Completed Final Report pending | |
| Develop and implement programs for the improvement of credit instruments for SMEs G. Montañó | Dec. 31, 2005 | | Aug. 18, 2005 Ammndmnt Oct.31, 2005 | SOW-009/05 (B) | | Completed Final Report pending | |
| Develop and implement programs for the improvement of SME credit instruments REALDATA | Dec. 31, 2005 | | Not required | SOW-010/05 P.O. | | Completed Final Report pending | |

| Deliverable/Title | Due Date | Effective Date | Approval Date | SOW Reference | No. of Hard copies | Special Notes | Distribution/SOT |
|--|-----------------|-----------------------|------------------------------|----------------------|---------------------------|---|--------------------------------|
| Workshop on a) Corporate Governance; b) Risk Management and Internal Control; and c) Microfinance in Bolivia for MFIs' Internal Auditors in Santa Cruz Carlos Velarde | Sept. 9, 2005 | Sept. 9, 2005 | July 19 th , 2005 | SOW-011/05 | | Final Report sent PREMIER-221/2005 Sept. 14 th ., 2005 | Margaret Enir Ralph Koering |
| Develop New Legislation for Secured Transactions and Credit Bureaus - Phase II CEAL | Sept. 30, 2006 | | Sept. 16, 2005 | SOW-014/05 | | Ongoing | |
| Develop New Legislation for Secured Transactions and Credit Bureaus - Phase II R. Guevara G. Montellano | Sept. 30, 2006 | | Oct. 21, 2005 | SOW-015/05 (A) | | Ongoing | |
| Develop New Legislation for Secured Transactions and Credit Bureaus - Phase II M. Requena | Sept. 30, 2006 | | Oct. 31, 2005 | SOW-015/05 (B) | | Ongoing | |
| Internal Auditors Workshop Berthin Amengual – BDO Internacional | Dec. 15, 2006 | | Not required | SOW-016/05 P.O. | | Completed Final Report pending | |

Annex 6



Innovación y Fortalecimiento de las
Finanzas para el Desarrollo

FIF GRANTS TRACKER AS OF DECEMBER 31ST, 2005

| Agreement No. | INSTITUTION | DESCRIPTION | Start Date | End Date | EFFECTIVE DATE | USAID APPROVAL | TOTAL AMOUNT | | DISBURSEMENTS | BALANCE | BILLED TO USAID | Comments |
|---------------|--|---|------------|-----------|----------------|----------------|---------------|-------------|---------------|---------------|-----------------|----------------|
| FIF-001/04 | PROMUJER | PROYECTO VPN PROMUJER BOLIVIA | 07-Oct-04 | 07-Feb-05 | | RCO-019/05 | Bs 342,603.72 | \$42,772.00 | | | | Exch rate 8.01 |
| | | FIRST DISBURSEMENT - CH/#1242 | | | 22-Nov-04 | | | | Bs 153,180.27 | Bs 189,423.45 | \$19,052.27 | Exch rate 8.04 |
| | | Grants Fee | | | | | | | | | \$381.05 | |
| FIF-002/04 | ECOFUTURO | PRUEBA PILOTO Diseno Sistema de Información Gerencial para el Control de Riesgo | 17-Nov-04 | 31-Mar-05 | | RCO-063/05 | Bs 32,160.00 | \$4,000.00 | | | | Exch rate 8.04 |
| | | FIRST DISBURSEMENT - CH/#1443 | | | 13-Apr-05 | | | | Bs 32,160.00 | Bs 0.00 | \$3,970.37 | Exch rate 8.10 |
| | | Grants Fee | | | | | | | | | \$79.41 | |
| FIF-001/05 | CAISA AGENTE DE Bolsa y Fortaleza SAFI | Desarrollo de un Fondo de Inversión Cerrado que proporcione Capital de Operaciones a la PyME boliviana a través de la adquisición de Acreencias Comerciales | | | | | Bs 266,640.00 | \$33,000.00 | | Bs 266,640.00 | | Exch rate 8.08 |
| FIF-002/05 | NAFIBO | "Operación de Titularización de flujos de cartera de ONGs financieras" | 15-Nov-05 | 15-Aug-06 | | RCO-063/06 | Bs 445,208.00 | \$55,100.00 | | Bs 445,208.00 | | Exch rate 8.08 |
| FIF-003/05 | ECOFUTURO | PRUEBA PILOTO con el software Calprevi | 01-Nov-05 | 27-Nov-05 | 31-Mar-06 | RCO-063/06 | Bs 27,609.36 | \$3,417.00 | | Bs 27,609.36 | | Exch rate 8.08 |

| | | | | | |
|--|-----------------|--------------|---------------|---------------|-------------|
| TOTAL COMMITMENTS TO DATE | Bs 1,114,221.08 | \$138,289.00 | Bs 185,340.27 | Bs 928,880.81 | \$23,483.10 |
| BUDGET FOR BASE PERIOD INCLUDING 2% GRANTS FEE | | \$612,000.00 | | | |
| UNUSED BALANCE | | \$473,711.00 | | | |